HUD's LMI Requirements for Hurricane Harvey Recovery Programs

Texas General Land Office
Community Development and Revitalization

Following Hurricane Harvey, the U.S. Department of Housing and Urban Development (HUD) allocated $5.024 billion in Community Development Block Grants for Disaster Recovery (CDBG-DR) for long-term recovery. **HUD then posted rules for eligible uses in a Federal Register notice, published Feb. 9, 2018, requiring that 70% of the funds be used for activities that benefit low- to moderate-income (LMI) persons.**

Housing and Community Development Act of 1974

CDBG-DR funds must be used to meet 1 of 3 national objectives:

1. Aiding in the prevention or elimination of slums or blight
2. Benefitting low- and moderate-income persons
3. Meeting an urgent community need

Low- to moderate-income categories

Housing
70% of the funds used for rehabilitation, reconstruction, and replacement of housing must benefit LMI households.

Infrastructure
51% of the households in the area benefitting from the project must be LMI.

Vulnerable Populations
Projects benefitting homeless populations or elderly populations.

Texas General Land Office (GLO) Hurricane Harvey long-term recovery programs:

- Homeowner Assistance Program
- Local Buyout and Acquisition Program
- Homeowner Reimbursement Program
- Affordable Rental Program
- Local Infrastructure Program
- Economic Revitalization Program

70% of all funds – regardless of program – must be used to benefit LMI individuals.

Infrastructure and LMI

To contribute to HUD's 70% LMI requirement, 51% of the households in the area benefitting from a CDBG-DR funded infrastructure project, such as drainage, street repairs, and water and sewer lines, must be low- to moderate-income. A household is considered low- to moderate-income (LMI) if they make less than 80% of the area median income. The grantee or subrecipient is responsible for determining the area benefitted by a project. The GLO is available to help communities determine area benefit.

Housing and LMI

CDBG-DR funds will also be used for buyouts/acquisitions, rebuilding homes through the Homeowner Assistance Program, and reimbursement of homeowners for out-of-pocket home repairs. HUD requires that at least 70% of funds used for these programs must benefit LMI individuals.